

FISCAL NOTE

HB 3027 - SB 2997

March 17, 2006

SUMMARY OF BILL: Requires the state to pay at least 50% of the total cost of participation in the basic group insurance plan (BGIP) for local education agency (LEA) employees. The state currently pays 45% of the total cost of participation.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$22,400,000

Assumptions:

- Currently, the state pays 45% of the total cost of participation.
- The BGIP premium is estimated to be \$7,345.46 for FY06-07.
- There are approximately 61,247 LEA employees.
- The current state contribution is estimated to be \$202.5 million (61,247 employees X \$7,345.46 premium X 45% contribution rate = \$202,449,325).
- Increasing the state contribution to 50% will make the state contribution approximately \$224.9 million (61,247 employees X \$7,345.46 premium X 50% = \$224,943,694).
- The increase to state expenditures is estimated to be \$22.4 million (\$224.9 million - \$202.5 million = \$22.4 million).
- This act shall take effect on July 1, 2006.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director